

parties to argue that Bellcore may not engage in manufacturing telecommunications equipment or CPE.²⁸ U S WEST disagrees with TIA's recommendations and proposed rules.

Section 273(d)(1) and Section 273(d)(8)(A) are clear on their face. They provide Bellcore and the Commission with all the necessary guidance they may require to determine when Bellcore is permitted to manufacture telecommunications equipment and CPE after the BOCs sell their interests in Bellcore. The requirements in these Sections are self-explanatory. No additional inquiry or investigation is required.

V. CONCLUSION

The requirements in Section 273 are clear, unambiguous, and require little interpretation. Congress provided broad authority for the BOCs to engage in independent research as well as to work closely with all manufacturers to design and develop technologies as well as specific products. Congress provided incentives for the BOCs to engage in these activities by permitting them to enter into any form of royalty agreement with any manufacturer of telecommunications equipment.

The Commission should exercise caution. It should not adopt unnecessary rules in this docket which may have the effect of discouraging innovation and

²⁸ TIA at 28-29.

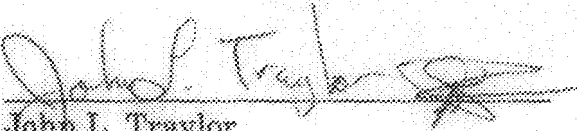
²⁹ TIA, Appendix A, "Text of Proposed Rules Implementing Section 273 of the Telecommunications Act of 1996," § 53.304 at 6.

invention by American businesses in the global market for telecommunications
equipment and CPE.

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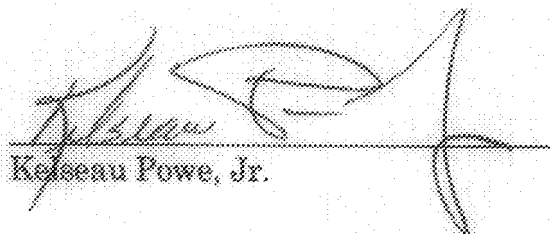
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March 26, 1997

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 26th day of March, 1997, I have caused a copy of the foregoing **REPLY COMMENTS OF U S WEST, INC.** to be served via first-class U.S. Mail, postage prepaid, upon the persons listed on the attached service list.


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